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BI-WEEKLY PROPAGANDA GUIDANCE

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On 6 July 1960 Khrushchev, speaking in Klagenfurt, Austria, warned the Austrians that "neutrality is not a latch-chain, isolating a state from the rest of the world." He went on to say that if the "socialist countries" were subject to an attack from rocket stations based in Italy the USSR would consider this a violation of Austrian neutrality. He emphasized that Austria, even though neutral, must work for "peace", meaning obviously the Soviet-sponsored peace campaigns. Vienna newspapers of both major parties described Khrushchev's statement as "alarming" and as "a dangerous definition of neutrality." One paper concluded that Khrushchev had dropped his mask and said, in effect: "I will determine the meaning of neutrality". However alarming this statement may have appeared to the Austrian press, it should be remembered that Khrushchev was merely restating the Communist position on neutrality, and once more taking upon himself the right to interpret neutrality. Basically Communist ideology does not recognize the right of any individual or nation to remain neutral in the international conflict between "the two camps". This does not prevent Communist leaders from using the appeal of concepts such as neutrality, coexistence, non-commitment and non-interference when it suits their temporary tactics as opposed to their ultimate aims. Sweden and Switzerland, for example, have been praised occasionally for their neutrality, particularly for staying out of NATO. At other times India, Indonesia, the United Arab Republic and other countries have been praised for their "positive neutralism" which the Soviets define as "non-participation in the military blocs of the imperialist powers". At the same time Yugoslavia, which has adopted "non-alignment with any blocs" as its official policy, has been viciously denounced as a tool of the imperialists and as the chief promoter of the heresy of revisionism. (For appropriate quotes, see Addendum to this guidance.)

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268. Cuban Recognition of Communist China

News accounts and intelligence reports indicate that we should prepare for the contingency of Cuban recognition of Communist China. During the past year, contacts between the two nations have steadily increased. Various leaders of the Cuban regime, such as Nunez Jimenez, Director of the National Agrarian Reform Institute (INRA), have visited Communist China. A Chinese-Cuban friendship society has been organized. The Chicoms have opened an office of the New China News Agency (NCNA) in Havana. A delegation of the Cuban Confederation of Labor (CTC) was treated to a "mass rally in support of the Cuban people" in Peking on 16 July. Two days later, NCNA announced a delegation of Chinese youth had departed for Havana to attend the Latin American Youth Congress, 26 July-4 August. Most important is the announcement of the agreements reached between a Chicom trade delegation, which arrived in Havana on 15 July, and the Cuban government. On 24 July, Lu Hsu-chang, Chicom vice minister of Foreign Trade, and Ernesto Guevarra, president of the Cuban National Bank, signed a five-year trade agreement in which China agrees to purchase 500,000 tons of sugar each year. This is more than twice the sugar China now imports from non-bloc countries, however, China will only pay cash for 20% of the first year's amount, the remainder and the entire amount for the next four years will be a barter transaction. An agreement on scientific cooperation and an agreement on cultural cooperation were also signed. These are somewhat vague but the three agreements amount to a substantial indication of closer relations, and the Chinese trade delegation is expected by many to have also the mission of working out the details of diplomatic recognition. 25X1C10b

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20 . Soviet Post-Summit Tactics

Since the Summit breakdown in May, the Soviet Union has adopted in its overt posture vis-a-vis the United States tactics which have been described by Secretary Herter as "truculent, aggressive and provocative." The tempo of Soviet belligerence appears to have increased since the Bloc meeting in Bucharest (20-25 June) and may reflect Chinese and Bloc sentiment for a tougher line towards the West. At the same time, however, the Soviet Union has gone to some lengths (in its asides to U.S. diplomats, its rejection of nuclear war as a viable policy, its patent wish to keep open channels of communication, its condemnation of US aggression in selective rather than categorical terms, i.e., blaming "military circles", "the Pentagon" or the "present administration", etc. rather than the government or people as a whole) to indicate that it does not want a complete or permanent rupture and to indicate that its current contentiousness does not presage a return to the assumptions of the Stalinist era. What is clear, however, is that the Soviet Union has not been able to resist the temptation to exploit the confluence of what it obviously regards as a number of favorable situations, events and fortuitous circumstances. These include: the U-2 incident and the Powers' trial to which they are giving maximum exploitation; Cuba (general promises of support coupled with threats of military assistance in case of United States "intervention"); the Congo (similar promises of support plus the threat to "take resolute measures to suppress the aggression" if Western "criminal actions" continue); RB-47 incident (attempt to force a US plane over Soviet territory and, when this proved unsuccessful, its wanton destruction over international waters); instigation or encouragement of riots and disorder in Italy and Japan; Berlin (sharply increased pressure including more explicit threats of signing a separate peace treaty with East Germany, the harassment of allied military representatives); disarmament walkout. It should be noted that Soviet threats as well as promises of assistance were worded with intentional ambiguity allowing for a variety of interpretations as well as for judicious retreat. However, the net implication of their statements has been that the Soviet Union is now prepared, if necessary, to use force against the West. There are a number of reasons why the Soviet Union has embarked on this campaign: to divide the West; weaken US prestige; vaunt Soviet military prowess; mobilize public opinion against war; encourage anti-Western action under the protection of the Soviet threat of interference; etc. However, these various aims all relate and are subordinate to two main tactical objectives: to deprive the United States of its overseas bases; and to undermine US and Western prestige in the developing areas. It is apparent that the Soviet leaders believe that the potential gain represented by these objectives is great enough to offset the risk of the serious propaganda disadvantages attendant upon such a campaign.

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Parliamentary democracy re-asserted its vitality at the end of World War II when, throughout Western Europe, democratic institutions temporarily suppressed by Hitler, were quickly and effectively restored, Italy, for twenty years under Fascism, the Western part of divided Germany, after twelve years of Hitler, and even Japan, the Asian Axis partner, developed parliamentary rule. Most of the countries which gained independence after the war wrote constitutions in the tested pattern of Western parliamentary democracy. On the international level, too, the application of democratic methods expanded gradually: the United Nations, though beset with serious difficulties, turned out to be a definite improvement over the League of Nations; Western Europe created an increasing number of supra-national bodies (OEEC, The Marshall Plan organization, NATO, the Council of Europe, etc.); and, in other areas of the world, various patterns of international democratic cooperation made progress. This generally reassuring record, while disproving the accusations of the totalitarians from Left and Right, must not induce us to overlook or minimize the dangers to stability and the erosion of democratic institutions in many lands. In some instances, this erosion has already led to crises, as in France, where the overthrow of the Fourth Republic failed to cause disaster only thanks to the far-sighted personal moderation of General De Gaulle; or, in Japan, where a small subversive minority was able to impose its will, causing the resignation of Kishi and the cancellation of Eisenhower's visit; or, in Turkey, where an originally democratic regime degenerated to a point where it was overthrown by student riots and military intervention; or, in Italy, where the cabinet crisis continues because a moderate government apparently cannot maintain a majority without Neo-Fascist support. In other areas, the threat to parliamentary democracy is either still latent or has become visible in gradual development rather than in acute crisis: vis., India, where complacency and corruption within the ruling Congress Party, aggravated by sharp communal and linguistic (regional) conflicts and the absence of a major democratic opposition party threatens a crisis when Nehru dies or retires; or, Argentina, where the popular base of President Frondizi's regime is hemmed in by Peronista and Communist subversion from one side and threats of military coups from the other. 25X1C10b

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August 1960 will mark the 21st anniversary of the signing of a non-aggression pact, complete with secret annexes, between Stalin and Hitler. This agreement marked a complete reversal of the relations between the two countries which had steadily deteriorated since Hitler assumed power in 1933. Hitler had decided to invade Poland in early September. He needed Russian neutrality during this early phase of his conquests. After Molotov had replaced Litvinov in May 1939, Ribbentrop, the German Foreign Minister, was sent to Moscow to bring the negotiations to quick conclusion. The pact was signed on 23 August 1939, and made known to the world the next day. The secret protocols which supplemented the pact became known only after the war through the release of captured German diplomatic documents. The first protocol spelled-out the Soviet and German spheres of influence in Eastern Europe including the division of Poland and the Baltic Countries. The Soviet government agreed to pay \$7,500,000 for an extra strip of territory. A year later, in November 1940, further secret protocols were being negotiated between the USSR, Germany, Japan and Italy for a division of the world. The draft of the secret protocol says: "The Soviet Union declares that its territorial ambitions center south of the national territory of the Soviet Union in the direction of the Indian Ocean." However, on 18 December 1940, Hitler issued his secret directive on Operation Barbarossa, code name for the invasion of Russia. At the same time he moved German troops into the Balkans. This put an end to the friendly negotiations. News of the non-aggression pact created bewilderment among the German and Russian peoples, who for years had been exposed to anti-bolshevik and anti-fascist propaganda respectively. The Anti-Comintern Pact formed in 1936 between Germany and Japan was reinterpreted as a defense measure against the allies.

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According to an official announcement of the USSR Supreme Court, U-2 pilot Francis Gary Powers will be tried on a charge of espionage in open session of the Military Collegium of the Supreme Court beginning 17 August. Despite repeated requests by Embassy officials to see him in accordance with a US-USSR agreement, Powers has been held incommunicado since his plane came down on 1 May. It still is unclear whether significant numbers of visas will be granted to free world reporters and other journalists who desire to attend the trial. Recently Moscow has suffered one significant setback in its efforts to exploit the U-2 incident. After the shooting down of the RB-47 reconnaissance plane, the Soviets charged that the aircraft had been caught spying over Soviet territory. They linked the RB-47 flight to the U-2 program, and claimed that it was evidence of the continuation of an aggressive, provocative policy on the part of warmongering circles in the Pentagon. However, Ambassador Lodge's speech in the UN stating categorically that the plane had been shot down over international waters, and demanding either an impartial investigation of the event or a referral of the case to the International Court of Justice cast considerable doubt on the Soviet charges. Lodge's stand was strongly supported by Great Britain. The subsequent Soviet veto of the nine to two approval of Lodge's proposal compounded the effect. During the pre-trial period the Communists have made at least two attempts to capitalize on the Powers case in the free world. The Italian Communist Party has begun to attack the Italian government and US bases in Italy using unsupported allegations that U-2 reconnaissance missions were flown from these bases. In Japan, a forged letter on US Embassy stationery has been uncovered proposing that U-2 aircraft be temporarily removed to Okinawa and later returned to Japan secretly so that overflights could be continued. The letter, supposedly signed by the US air attache, was to be circulated by a national Japanese patriotic group.

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Attachment to Guidance Item # 267 "Khrushchev and Neutrality"

- A. 1. Extract from Khrushchev's speech at Klagenfurt, Austria, made on 6 July 1960:

"During our trip through Austria, from talks with various people of many occupations and opinions we became convinced that the industrious Austrian people want to live in peace and friendship with other peoples. We also reached the conclusion that the Austrians are satisfied that their country has become a neutral state. At times it was possible to feel the following during these talks--Khrushchev speaks of international affairs--but we are a neutral country, why do we have to become involved in big politics? This stand appears to me not to be correct.

Neutrality is not a latch-chain isolating a state from the rest of the world. The struggle for peace is a matter for all peoples. If one is neutral in this struggle this can lead to the unleashing of a new war, which would be a terrible catastrophe for all countries. Austria, as a neutral state, can do much for the strengthening of peace on the European continent.

I do not divulge a military secret if I say that foreign military bases with rocket installations have been stationed for some time very near you. These bases are directed against the Soviet Union and its allies. One cannot fail to realize that the existence of such rocket bases in northern Italy, if they should be used against the socialist countries, would bring about a violation of Austria's neutrality. In such a case, in my opinion, it would be proper to apply the following rule--when the neighbor starts playing with fire one should be on guard, one should not mind giving him a good piece of advice: Do not play with fire. We are far from having any desire to trouble relations between Austria and Italy in any manner whatsoever. We ourselves are in favor of improved relations with your southern neighbors. But Austria must not remain indifferent when foreign military bases are being established on its borders."

- B. 2. Quotations from Soviet Sources:

a. Lenin - 1918

"Either the Soviet Government triumphs in every advanced country in the world, or the most reactionary imperialism triumphs, the most savage imperialism, which is throttling the small and feeble nationalities and reinstating reaction all over the world--Anglo-American imperialism which has perfectly mastered the art of using the form of a democratic republic. One or the other, there is no middle course."

- Lenin: "Valuable Admission of Pitirim Sorokin" (1918). Selected Works (International Publishers, New York, 1943), Vol. VIII, p. 148-9.

b. Soviet Encyclopedia - 1939

"The position of neutrality in the contemporary imperialist system is, under all conditions, not only a dangerous illusion which does not to any extent really prevent the imperialist system from being transformed into

war, but indeed, a condonation of aggression and a factor aiding the unleashing of war."

c. Khrushchev - 1957

"In the present-day world there is a fierce struggle of two ideologies: the Socialist and the Bourgeois, and in this struggle there can be no neutrals."

- Khrushchev, Pravda, August 28, 1957

d. Positive Neutralism - 1958

"The policy of neutrality carried out by the governments of many countries in the world. It is especially popular among the peoples of the East who recently put an end to colonial oppression; it is carried out by India, Indonesia, Burma, United Arab Republic, Ceylon, Nepal, Laos, Cambodia and other countries. This policy constitutes a special form of opposition to the aggressive imperialist forces that are preparing a new war and gives expression to the endeavors of the wide popular masses of Asia and Africa to retain their independence and freedom and to achieve economic self-sufficiency. The basic principle of positive neutralism consists of active non-participation in the military blocs of the imperialist powers and in the desire of the countries to pursue a policy of peaceful co-existence.

The Soviet Union and all the countries of the Socialist camp establish close friendly relations with the neutral States, and afford them disinterested support and aid in the strengthening of their national sovereignty."

- Definition in "Dictionary of Political Terms". Molodoi Kommunist, No. 5, May, 1958, passed for publication May 12, 1958.

e. From Czechoslovakia - 1956

"Neutrality is good for the capitalist countries, but utterly disastrous for the people's democratic countries."

- Svobodne Slovo, February 5, 1956.

C. 3. Quotations from Chinese Communists -

a. Mao-Tse-Tung - 1939

"It is impossible to sit on the fence; there is no third road. We oppose Chiang-Kai-shek's reactionary clique, which inclines to the side of imperialism. We also oppose illusions about a third road. Not only in China but throughout the world, without exception, one inclines either toward imperialism or toward socialism.

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"Neutrality is merely a camouflage; a third road that does not exist."

- Mao-Tse-Tung, Peoples Democratic Dictatorship. 1939

b. China - 1957 -

"Every member of the Socialist camp must strive to consolidate and strengthen the solidarity of the Socialist countries headed by the Soviet Union. We cannot be neutral or sit on the fence."

- Chien Chun-jui, Secretary General of Sino-Soviet Friendship Association, People's Daily, February 14, 1957.

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